

S E C R E T

VIA A I R

DISPATCH NO.

DATE

TO : *All Class A Stations*

FROM : Finance Division

CONFIDENTIAL

SUBJECT: General - Administrative
Specific = Social Security Tax Deductions for Calendar Year 1957
and Change of Payrolling Techniques Applicable to
Contract Employees Under Official Cover

1. Public Law 880 states in effect that wages received during calendar year 1957 through 1959 are subject to 2½% Social Security tax deductions on the first \$4,200.00 of remuneration paid after 31 December 1956.

2. With respect to WAE personnel paid on a four weeks basis, Social Security tax deductions of 2½% are to be effected by you beginning with the first pay period applicable to calendar year 1957; i.e., for the period 2 December - 29 December 1956 inclusive.

3. Effective 1 December 1956, in order that payroll processes may be made as uniform as possible:

A. All contract employees (per annum and hourly) under official cover at Class A Stations will be payrolled on a 13 pay period basis instead of a 12 pay period basis as heretofore.

B. All hourly contract employees (including WAE's) under official cover at Class A Stations will be paid in full at the field station.

4. Accordingly, effective with the first four week pay period applicable to calendar year 1957; i.e., for the period 2 December - 29 December 1956 inclusive, all such contract employees will be paid on a four week rather than a calendar month basis, irrespective of whether the employee entered into the contract with KUBARK in the field or at headquarters.

5. To further simplify the payrolling process, it is requested that an effort be made to obtain agreement from all per annum contract employees under official cover to receive ~~full payment of salary and~~ ~~other entitlements in the field.~~ 023

No Change in Class.

Declassified

Class. Changed To: TS S (C)

Auth.: HR 70-2

Date:

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headquarters will continue to payroll those per annum contract employees under official cover who desire that part of their pay be deposited to their headquarters allottee account and stations will T/A field payments to headquarters computed on a 13 pay period basis.

8. After contacting all per annum contract employees under official cover regarding the question of full or partial pay being paid at your station, it is requested that a schedule be submitted to headquarters indicating the employee payroll number and name (P) of those per annum contract employees who agree to receiving full pay in the field. It is requested that each employee signify acceptance by signing the schedule in pseudonym.

9. With respect to those per annum contract employees who will continue to receive part of their pay at headquarters, they should be advised that with the change from a 12 to 13 pay period basis that headquarters will effect appropriate adjustment of amounts to be deposited to the headquarters allottee account based on each respective employees' salary and entitlements as computed on a 13 pay period basis giving consideration to the revised field allotment.

10. A separate schedule is to be submitted for those per annum contract employees who will continue to receive part of their pay at headquarters indicating the revised field allotment covering each four week pay period. Each employee involved will be advised of payroll adjustments by a copy of payroll change notice.

11. It is requested that every effort be made to submit the schedules referred to above in order that they will reach headquarters by 15 November 1956.

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Distribution:

3 - Field Station, 2 - FD, 1 - SSA-DD/S,
2 - Area Division, 1 - OGC, 1 - RI/DP,
1 - CPD

FD/LEB/ADB:nf (5 October 1956)

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